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June 26, 1996

To: Area Vice Presidents
Region Sales Managers
Region Operations Managers
Region Business Managers
Account Executives

Key Account Managers
Account Managers
Division Managers
Retail Managers

SUBJECT: Reaffirming our Commitment Against Youth Smoking

I wrote to you in March of this year regarding the "We Card" program - a program which was designed to help retailers prevent the sale of tobacco products to those under the legal age. In my letter, I asked each of you to help RJR heighten the awareness of minimum-age laws and educate your retail, chain and direct account customers on the "We Card" program.

While I cannot overemphasize the importance of this program as it relates to our customers, there is another critical element that each of you must be reminded of as it relates to your role in controlling youth access and ensuring our products are offered only to adult smokers.

It is the responsibility of every manager to ensure that our position on youth smoking is clearly understood by each employee. It is also management's responsibility to continually reinforce this with employees during work-withs, meetings, etc. Managers must be alert to situations which are, or might appear to be, in violation of our policies and position on youth access and to take prompt action to correct these situations. While it is not possible to attempt to point out every situation that you might encounter, following are examples of situations which would require action on your part to correct:

- Observance of billboards which are improperly located
- Observance of employees not following established procedures when making consumer offers or performing personal selling
- Observance of improperly placed point of sale or PDI

Details regarding the Company's policies and what is expected of each employee are provided in the Field Sales Employee Handbook which was recently distributed to all Field Sales employees. It is critical that every employee has a clear understanding of the sections in the handbook that explain our policies relative to Youth Smoking (General Information Tab), Calling on On-Campus Cigarette Outlets (General Information Tab) and the Cigarette Advertising and Promotion Code. It is management's responsibility to ensure that appropriate corrective action is taken for any employee who violates these policies.

Our position is clear - we don't want kids to smoke. Our Company supports minimum age laws and programs designed to control youth access. It is crucial that every employee does his or her part in controlling youth access during the performance of their day-to-day accountabilities.

Should you have any questions or concerns regarding this matter, you should immediately discuss them with your manager.

Sincerely,

Jim

Jim Maguire
Senior Vice President, Sales

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